

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**COMPANY APPLICATION No. 661 of 2006****In****COMPANY PETITION No. 130 of 2001****For Approval and Signature:****HONOURABLE MR.JUSTICE M.R. SHAH**

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1 Whether Reporters of Local Papers may be allowed
to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy
of the judgment ?

4 Whether this case involves a substantial question
of law as to the interpretation of the
constitution of India, 1950 or any order made
thereunder ?

5 Whether it is to be circulated to the civil judge
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GUJARAT STATE FINANCIAL CORPORATION - Applicant(s)**Versus****O.L. OF MANGAL RASAYAN LTD. & 4 - Respondent(s)**

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Appearance :

MR MITUL K SHELAT for Applicant(s) : 1,
OFFICIAL LIQUIDATOR for Respondent(s) : 1,
NOTICE SERVED for Respondent(s) : 2, 4,
MR KM PARIKH for Respondent(s) : 3,
MR SUDHIR M MEHTA for Respondent(s) : 5,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH**Date : 16/03/2007****ORAL JUDGMENT**

1. Present Judges Summons has been taken out by the applicant Gujarat State Financial Corporation (hereinafter referred to as "GSFC") for an appropriate order to confirm the sale of the land and building of M/s.Mangal Rasayan Ltd. in favour of M/s.Guru Rajendra Metals Pvt. Ltd.

2. Shri Shelat, learned Advocate appearing on behalf the applicant-GSFC has submitted that earlier, while passing the order dated 21.09.2004, passed in OLR No.8 of 2003 in Company Application No.130 of 2001, this Court has directed the GSFC to exercise its rights U/s.29 of the State Financial Corporation Act, 1951 subject to the following conditions:

a) GSFC will undertake to discharge its liability due to the workers, if any, U/s.529(A) of the Companies Act, 1956.

b) GSFC shall inform at least ten days in advance before a date fixed for receipt of tenders to the Official Liquidator about proposed sale of the properties of the Company

in liquidation, and

c) GSFC shall also obtain permission of the Court before finalizing the tenders.

3. It is submitted that apropos the said order the offers were invited by the GSFC by giving advertisement in local newspapers and one M/s.Guru Rajendra Metals Pvt. Ltd. was found to be the highest offerer, who has offered to purchase the immovable property of the company in liquidation i.e. Survery No.613/1, 2B & 3 situated at Chhatral, Taluka Kalol, District Gandhinagar for a sale consideration of Rs.11,35,000/-.

4. Shri Shelat, learned Advocate appearing on behalf the applicant-GSFC has submitted that at present similar land is sold by the GIDC at Rs.150/- per Sq.mtr. and considering the same the applicant can fetch approximately Rs.1,12,500/- more.

5. Considering above, Shri Sudhir Mehta, learned Advocate appearing on behalf of M/s.Guru Rajendra Metals Pvt. Ltd., the highest offerer, has submitted

on instruction of Shri Babulal Dhanraj Jain, Director of the Company that his client is ready and willing to pay and/or offer Rs.12,50,000/-. Shri KM Parikh, Shri SS Panesar, learned Advocates appearing on behalf of the respective secured creditors and Shri Bundela learned Advocate appearing on behalf of the Official Liquidator have submitted that they have no objection if the sale in favour of M/s.Guru Rajendra Metals Pvt. Ltd. is confirmed for a sale consideration of Rs.12,50,000/-. Accordingly, the sale in favour of M/s.Guru Rajendra Metals Pvt. Ltd. with respect to land admeasuring 4464 sq.mtrs. of Survey No.613/1 paiki Hissa No. 2B & 3 situated at Chhatral, Taluka Kalol, District Gandhinagar is confirmed for a sale consideration of Rs.12,50,000/-.

6. It is submitted that the said M/s.Guru Rajendra Metals Pvt. Ltd. has deposited an EMD of Rs.50,000/- with the GSFC. The balance amount is to be paid by M/s.Guru Rajendra Metals Pvt. Ltd. towards balance sale consideration within a period of four weeks from today, to be deposited with the GSFC. On receiving full payment the GSFC to handover the possession of

the said property to M/s.Guru Rajendra Metals Pvt. Ltd. All other incidental charges for transferring the property in favour of M/s.Guru Rajendra Metals Pvt. Ltd. shall be borne by the purchaser. On deposit of aforesaid amount the GSFC to transmit the said amount to the Official Liquidator for further orders without prejudice their rights and contentions and claiming the said amount within a period of two weeks from such deposit. On such deposit with the Official Liquidator, the Official Liquidator to invest the said amount in separate Fixed Deposit with any Nationalized Bank initially for a period of six months.

7. With these directions present application is disposed of. No costs.

[M.R. Shah, J.]

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